

LOUD TOWNSHIP
MONTMORENCY COUNTY, MICHIGAN
FINANCIAL STATEMENTS
MARCH 31, 2004

Auditing Procedures Report

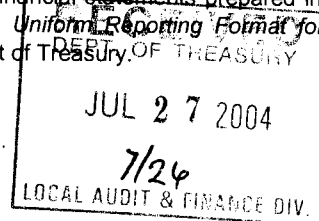
Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Loud Township	County Montmorency
Audit Date 3/31/04	Opinion Date 6/16/04	Date Accountant Report Submitted to State: 7/26/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☒ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☒ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☒ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☒ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☒ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☒ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☒ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☒ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			✓
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)

Robertson & Carpenter CPA's LLP

Street Address

P.O. Box 308

City

Mlo

State

MI

ZIP

48647

Accountant Signature

Date

7/24/04

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS	2
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES	3
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES	4
NOTES TO FINANCIAL STATEMENTS	5-11
SUPPLEMENTAL INFORMATION:	
GENERAL FUND - DETAIL OF REVENUES - BUDGET AND ACTUAL	12
GENERAL FUND - DETAIL OF EXPENDITURES - BUDGET AND ACTUAL	13-16
SPECIAL REVENUE FUNDS:	
COMBINING BALANCE SHEET	17
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	18
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - FIRE FUND	19
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - AMBULANCE FUND	20
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS	21



Robert J. Carpenter, CPA
Rodney C. Robertson, CPA

ROBERTSON & CARPENTER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 308 • 109 E. Tenth St. • Mio, Michigan 48647

Phone (989) 826-5442 • Fax (989) 826-3038

Other office: Rose City, Michigan

INDEPENDENT AUDITOR'S REPORT

Township Board
Township of Loud
Montmorency County, Michigan

We have audited the accompanying general purpose financial statements of the Township of Loud, Montmorency County, Michigan, as of and for the year ended March 31, 2004 as listed in the table of contents. These general purpose financial statements are the responsibility of the township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Township of Loud, Montmorency County, Michigan as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Robertson & Carpenter, LLP

June 16, 2004

LOUD TOWNSHIP
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	GOVERNMENT FUND TYPES		FIDUCIARY FUND TYPE	ACCOUNT GROUPS	TOTAL (Memorandum Only)
	GENERAL	SPECIAL REVENUE	CURRENT TAX	GENERAL FIXED ASSETS	
ASSETS					
Petty cash	\$ 50	\$ -	\$ -	\$ -	\$ 50
Cash - checking	3,260	-	334	-	3,594
Cash - savings	88,745	-	-	-	88,745
Cash - savings	-	-	-	-	-
Cash - certificates of deposit	25,000	-	-	-	25,000
Due from other funds	49	-	-	-	49
Due from State	2,577	-	-	-	2,577
Due from County	1,241	1,964	-	-	3,205
Land and improvements	-	-	-	18,179	18,179
Buildings	-	-	-	127,722	127,722
Equipment	-	-	-	35,372	35,372
Total assets	\$ <u>120,922</u>	\$ <u>1,964</u>	\$ <u>334</u>	\$ <u>181,273</u>	\$ <u>304,493</u>
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts Payable	\$ -	\$ 1,964	\$ -	\$ -	\$ 1,964
Payroll taxes	586	-	-	-	586
Due to other units	-	-	285	-	285
Due to other funds	-	-	49	-	49
	<u>586</u>	<u>1,964</u>	<u>334</u>	<u>-</u>	<u>2,884</u>
Fund Equity					
Investment in general fixed assets	-	-	-	181,273	181,273
Fund balance					
Reserved - Metro Act	342				342
Unreserved - undesignated	<u>119,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>119,994</u>
Total fund equity	<u>120,336</u>	<u>-</u>	<u>-</u>	<u>181,273</u>	<u>301,609</u>
Total liabilities and fund equity	\$ <u>120,922</u>	\$ <u>1,964</u>	\$ <u>334</u>	\$ <u>181,273</u>	\$ <u>304,493</u>

See accompanying notes

LOUD TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GOVERNMENTAL FUND TYPES		TOTAL (Memorandum Only)
	GENERAL FUND	SPECIAL REVENUE	
REVENUES			
Taxes	\$ 18,103	\$ 29,500	\$ 47,603
Licenses & permits	485	-	485
State grants	29,862	-	29,862
Charges for services	16,096	-	16,096
Interest & rents	7,629	-	7,629
Other revenues	905	-	905
	<u>73,080</u>	<u>29,500</u>	<u>102,580</u>
Total revenues			
EXPENDITURES			
Current:			
Legislative	10,940	-	10,940
General government	45,363	-	45,363
Public safety	3,049	14,750	17,799
Public works	-	-	-
Health & Welfare	975	14,750	15,725
Recreational and cultural	185	-	185
Other	3,760	-	3,760
Capital outlay	7,244	-	7,244
	<u>71,516</u>	<u>29,500</u>	<u>101,016</u>
Total expenditures			
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	1,564	-	1,564
FUND BALANCE - APRIL 1, 2003	<u>118,772</u>	<u>-</u>	<u>118,772</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 120,336</u>	<u>\$ -</u>	<u>\$ 120,336</u>

See accompanying notes

LOUD TOWNSHIP
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes	\$ 21,300	\$ 18,103	\$ (3,197)
Licenses & permits	485	485	-
State grants	30,186	29,862	(324)
Charges for services	15,196	16,096	900
Interest and rents	7,406	7,629	223
Other revenues	594	905	311
Total revenues	<u>75,167</u>	<u>73,080</u>	<u>(2,087)</u>
EXPENDITURES			
Current			
Legislative	10,811	10,940	(129)
General government	57,202	45,363	11,839
Public safety	2,515	3,049	(534)
Public works	-	-	-
Health and welfare	645	975	(330)
Recreation and cultural	185	185	-
Other	3,760	3,760	-
Capital outlay	-	7,244	(7,244)
Total expenditures	<u>75,118</u>	<u>71,516</u>	<u>3,602</u>
EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES	49	1,564	1,515
FUND BALANCE - APRIL 1, 2003	<u>106,875</u>	<u>118,772</u>	<u>11,897</u>
FUND BALANCE - MARCH 31, 2004	\$ <u><u>106,924</u></u>	\$ <u><u>120,336</u></u>	\$ <u><u>13,412</u></u>

See accompanying notes

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
\$	-	\$ 29,500	\$ 29,500
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	29,500	29,500
	-	-	-
	-	-	-
	-	14,750	(14,750)
	-	-	-
	-	14,750	(14,750)
	-	-	-
	-	-	-
	-	-	-
	-	29,500	(29,500)
	-	-	-
	-	-	-
\$	-	\$ -	\$ -

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Township Operations and Fund Types

Loud Township is located in Montmorency County. The Township operates under an elected Township Board composed of a Supervisor, Clerk, Treasurer, and two Trustees, and provides services to its residents in the area of fire protection, recreation, cemetery and other general government areas.

REPORTING ENTITY

The Township's combined financial statements include the accounts of all Township operations. The criteria for including organizations as component units within the Township's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Township holds the corporate powers of the organization
- the Township appoints a voting majority of the organization's board
- the Township is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Township
- there is a fiscal dependency by the organization on the Township

Based on the aforementioned criteria, the Township of Clinton has no component units.

BASIS OF PRESENTATION

The accounts of the government are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The financial activities of the Loud Township are recorded in separate funds and account groups, categorized and described as follows:

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

GOVERNMENTAL FUNDS

General Fund - This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of the general Township governmental departments. The fund includes the general operating expenditures of the local unit.

Special Revenue Funds - These funds are used to account for specific revenue (other than expendable trusts or major capital projects) derived from State and Federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements, and include the Fire Fund and Ambulance Fund.

FIDUCIARY FUNDS

Trust and Agency Funds - These funds account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Agency Funds, composed of the Current Tax Collection Fund.

ACCOUNT GROUPS

General Fixed Asset Account Group - This account group presents the fixed assets of the local unit utilized in its general operations (nonproprietary fixed assets).

Fixed assets used in the general operation of the Loud Township are recorded as expenditures when purchased and are accounted for in the General Fixed Assets Account Group. No depreciation is recorded for these general fixed assets. Infrastructure assets, including roads, bridges, drains, curbs, and gutters are not capitalized.

B. Basis of Accounting

The modified accrual basis of accounting is used by all Governmental Funds and Agency Funds. Revenue and other sources are recognized in the accounting period in which they become susceptible to accrual-that is when they become both measurable and available to finance expenditures of the fiscal period. Expenditures are recognized when the related liability is incurred. Modifications from the accrual basis are as follows:

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- a. Properties are assessed and lienied as of December 31 and their related property taxes are billed on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the county delinquent tax rolls.
- b. Payments for inventoriable types of supplies are recorded as expenditures at the time of purchase.
- c. Normally, expenditures are not divided between years by the recording of prepaid expenses.

C. Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end.

The Township Board meets in a workshop session and prepares an annual budget. The budget is adopted prior to the beginning of the fiscal year. When necessary, the budget is amended.

Budget amounts are as originally adopted, or as amended by the Township Board.

P.A. 621 of 1978, Section 18(1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures have been shown on a functional basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

During the year ended March 31, 2004, the township did not incur expenditures in excess of the amount appropriated.

<u>Fund and Activity</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Excess</u>
General:			None
Legislative	\$ 10,811	\$ 10,940	\$ 129
Public Safety - Fire Board	685	1,011	326
Public Safety - Planning/zoning	1,830	2,038	208
Health & Welfare	645	975	330
Special Revenue:			
Public Safety	-	14,750	14,750
Health & Welfare	-	14,750	14,750

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(Continued)

D. RISK MANAGEMENT

Loud Township is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased from independent insurance companies. Settled claims from these risks have not exceeded insurance coverage for the last 3 fiscal years.

E. ESTIMATES

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

NOTE 2 - CHANGES IN GENERAL FIXED ASSETS

	Balance 4/1/03	Additions	Disposals	Balance 3/31/04
Land	\$ 9,000	\$ -	\$ -	\$ 9,000
Land improvements	9,179	-	-	9,179
Building - Townhall	127,052	670	-	127,722
Furniture, fixtures & equipment	15,476	6,574	-	22,050
Office equipment	13,322	-	-	13,322
	<u>\$ 174,029</u>	<u>\$ 7,244</u>	<u>\$ -</u>	<u>\$ 181,273</u>

Fixed assets are recorded as expenditures in the general and special revenue funds at the time of purchase. These assets are capitalized at cost in a general Fixed Asset Group of Accounts, with the exception of assets purchased prior to March 31, 1976. These assets are shown at estimated value at March 31, 1976.

NOTE 3 - TOTAL COLUMN ON COMBINED STATEMENTS - OVERVIEW

The total column on the combined Statements - Overview is captioned Memorandum Only to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 4 - DUE FROM COUNTY

Montmorency County operates a tax revolving fund whereby the County purchases the delinquent real taxes from the Township. Since the amount is readily measurable it has been recognized as revenue for the year ended March 31, 2004. The amount due from the County was \$1,241 in the General Fund composed of property taxes of \$946 and property tax administration fee of \$295 and \$1,964 of property taxes in the Special Revenue Fund at March 31, 2004.

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 5 - PROPERTY TAXES

Property taxes are assessed and liened December 1st with a levy date of the following December 1st. Collection dates are December 1st through February 14th, after which the taxes are deemed to be delinquent. Taxes are recorded as revenue when they become available and measurable.

The 2003 tax levy was .9219 mills for the General Fund, .9969 mills for the Special Revenue Fire Fund and .9969 mills for the Special Revenue Ambulance Fund. The taxable value of the 2003 levy was \$14,836,804.

NOTE 6 - PENSION PLAN

Loud Township provides pension benefits for all elected members of the Township Board that earn in excess of \$300 per year through a defined contribution plan. The plan is a Simplified Employee Pension (SEP) plan through National City Bank. The retirement benefits in a defined contribution plan depend solely on amounts contributed to the plan plus investment earnings. The Township is required to contribute between 7.5% and 15% of the employee's earnings. The plan does not allow employees to make contributions. The Township's contributions are vested upon payment to the plan and are invested in individual retirement accounts in the name of the employee.

The Township's total payroll for the year ended March 31, 2004 was \$27,994. The Township's 10% contribution to the plan was computed on eligible wages of \$17,400. The Township deposited the required amount of \$1,740.

NOTE 7 - CASH DEPOSITS AND INVESTMENTS

Deposits are carried at cost. Deposits are in one financial institution in the name of the Loud Township Treasurer. Michigan Compiled Laws, Section 129.91, as amended, authorizes the Township to deposit and invest in the accounts of a state or nationally chartered bank, a state or federally chartered savings and loan association, a savings bank, or a credit union whose deposits are insured by an agency of the U.S. government and which maintains a principal office or branch office in this state under the law of this state or the United States; bonds, securities, and other obligations of the United States, or an agency or instrumentality of the United States in which the principal and interest is fully guaranteed by the United States, including securities issued or guaranteed by the Government National Mortgage Association; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan; and commercial paper rated by two standard rating agencies within the three highest classifications, which mature not more than 270 days after the date of purchase and which involve no more than 50 percent of any one fund; investment pools organized under the Surplus Funds Investment Pool Act, or under the Local Government Investment Pool Act and Obligations permitted by PA 20 of 1943 purchased through an interlocal agreement under the Urban Cooperation Act of 1967.

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 7 - CASH DEPOSITS AND INVESTMENTS (Continued)

The Governmental Accounting Standards Board (GASB) Statement No. 3 risk disclosure for deposits at year end are as follows:

<u>DEPOSITS</u>	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Insured (FDIC)	\$ <u>96,097</u>	\$ <u>99,099</u>

In accordance with GASB Statement 3, investments are classified into three categories of credit risk as follows:

- Category 1: Insured or collateralized with securities held by the Township or its agent in the Township's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Township's name.
- Category 3: Uncollateralized (includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Township's name).

The Township did not have any investments to be classified as to risk at year end.

Investment held by	<u>CATEGORY</u>			<u>CARRYING AMOUNT</u>	<u>MARKET VALUE</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
None	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

NOTE 8 - JOINT VENTURE - FIRE PROTECTION

Loud Township is a participant in an interlocal agreement with Avery Township and Briley Township to provide fire protection services to the residents of the townships. The Tri-Township Fire Department's board totals six members, one member from each Township board and one resident from each township.

Loud Township's equity interest is determined by the ratio of the township's Taxable valuation to the total Taxable valuation of interlocal agreement. The percentage as of December 31, 2003 was approximately 16.5%.

LOUD TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

NOTE 8 - JOINT VENTURE - FIRE PROTECTION (Continued)

The financial statements of Tri-Township Fire Department for the year ended December 31, 2003 show the following:

Total Assets (consisting of cash & receivables)	\$ 47,722
Total Liabilities	\$ -
Total Fund Equity	\$ 47,722
Total General Fixed Assets	\$ 633,176

A copy of the financial statements may be obtained from the Acting Secretary-Treasurer of the Tri-Township Fire Department, 17300 Campbell Road, Comins, Michigan.

NOTE 9 - JOINT VENTURE - AMBULANCE SERVICE

Loud Township is a participant in an interlocal agreement with Avery Township and Briley township to provide ambulance services to the residents of the townships. The Tri-Township Ambulance Service board totals six members, one member from each Township Board and one resident from each township.

Loud Township's equity interest is determined by the ratio of the township's Taxable valuation to the total Taxable valuation of the interlocal agreement. The percentage as of December 31, 2001 was approximately 16.5%.

The financial statements of Tri-Township Ambulance Service for the year ending December 31, 2003 show the following:

Total Assets (consisting of cash)	\$ 156,878
Total Liabilities	\$ -
Total Fund Equity	\$ 156,878

The Tri-Township Ambulance Service does not maintain a General Fixed Asset Group of Accounts.

A copy of the financial statements may be obtained from the Acting Secretary-Treasurer of Tri-Township Ambulance Service, 17300 Campbell Road, Comins, Michigan.

SUPPLEMENTAL INFORMATION

LOUD TOWNSHIP
GENERAL FUND
DETAIL OF REVENUES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET AS AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TAXES:			
Property taxes	\$	\$ 13,678	\$
Property tax administration fee		4,425	
Total Taxes	<u>21,300</u>	<u>18,103</u>	<u>(3,197)</u>
LICENSES AND PERMITS:			
Zoning permits	<u>485</u>	<u>485</u>	<u>-</u>
INTERGOVERNMENTAL:			
Swampland tax		9,942	
State revenue sharing		19,204	
State metro act		342	
Bankhead Jones		374	
Total Intergovernmental	<u>30,186</u>	<u>29,862</u>	<u>(324)</u>
CHARGES FOR SERVICES:			
Land split fees		75	
Landfill impact fees		14,921	
Grave openings		200	
Grave lots		900	
Total Charges for Services	<u>15,196</u>	<u>16,096</u>	<u>900</u>
INTEREST AND RENTS:			
Interest		1,084	
Rents and royalties		3,775	
Emergency vehicle garage rent		1,800	
Townhall rent		970	
Total Interest and Rent	<u>7,406</u>	<u>7,629</u>	<u>223</u>
OTHER REVENUE			
Reimbursements		129	
Other		776	
Total Other Revenue	<u>594</u>	<u>905</u>	<u>311</u>
TOTAL REVENUES	\$ <u>75,167</u>	\$ <u>73,080</u>	\$ <u>(2,087)</u>

LOUD TOWNSHIP
GENERAL FUND
DETAIL OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET AS AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
LEGISLATIVE:			
Townboard:			
Trustee - wages	\$	\$ 1,878	\$
Per diems		1,115	
Retirement		1,740	
Travel		382	
FICA and medicare		480	
Bank charges		26	
Supplies		450	
Contracts		1,517	
MTA services		2,380	
Mileage		122	
Printing		177	
Miscellaneous		673	
TOTAL LEGISLATIVE	<u>10,811</u>	<u>10,940</u>	<u>(129)</u>
GENERAL GOVERNMENT:			
Supervisor:			
Salary		5,367	
Supplies		-	
MTA services		35	
Mileage		16	
Miscellaneous		-	
Total Supervisor	<u>5,467</u>	<u>5,418</u>	<u>49</u>
Elections:			
Wages		639	
Supplies		114	
Mileage		-	
Printing		-	
Miscellaneous		-	
Total Elections	<u>770</u>	<u>753</u>	<u>17</u>
Assessor:			
Contracted services		4,624	
Supplies		733	
Mileage		51	
County equalization		-	
Total Assessor	<u>5,435</u>	<u>5,408</u>	<u>27</u>
Attorney:	<u>640</u>	<u>640</u>	<u>-</u>

LOUD TOWNSHIP
GENERAL FUND
DETAIL OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET AS AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Clerk:			
Salary	\$	\$ 5,185	\$
Deputy wages		1,037	
Supplies		620	
Schooling & training		70	
Contracted services		735	
MTA services		1,457	
Mileage		290	
Miscellaneous		142	
Total Clerk	<u>9,580</u>	<u>9,536</u>	<u>44</u>
Board of Review			
Wages		421	
Mileage		-	
Printing		450	
Miscellaneous		27	
Total Board of Review	<u>910</u>	<u>898</u>	<u>12</u>
Treasurer:			
Salary		5,337	
Deputy wage		932	
Supplies		2,988	
MTA services		1,186	
Mileage		519	
Miscellaneous		-	
Total Treasurer	<u>11,050</u>	<u>10,962</u>	<u>88</u>
Townhall:			
Contracted services		2,047	
Supplies		153	
Telephone		571	
Heat		2,640	
Hall lights		751	
Security lights		286	
Maintenance		1,677	
Miscellaneous		31	
Lawn		515	
Snow removal		807	
Total Townhall	<u>12,830</u>	<u>9,478</u>	<u>3,352</u>
Cemetery:			
Maintenance		335	
Lawn		1,470	
Grave openings		200	
Total Cemetery	<u>5,200</u>	<u>2,005</u>	<u>3,195</u>

LOUD TOWNSHIP
GENERAL FUND
DETAIL OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	BUDGET AS AMENDED	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Unallocated:			
Miscellaneous	\$	\$ -	\$
MTA Chapter		265	
Total Unallocated	<u>5,320</u>	<u>265</u>	<u>5,055</u>
 TOTAL GENERAL GOVERNMENT	 <u>57,202</u>	 <u>45,363</u>	 <u>11,839</u>
 PUBLIC SAFETY:			
Fire Board:			
Wages		805	
Mileage		206	
Total Fire Board	<u>685</u>	<u>1,011</u>	<u>(326)</u>
Planning and Zoning:	<u>1,830</u>	<u>2,038</u>	<u>(208)</u>
 TOTAL PUBLIC SAFETY	 <u>2,515</u>	 <u>3,049</u>	 <u>(534)</u>
 PUBLIC WORKS:			
Roads	<u>-</u>	<u>-</u>	<u>-</u>
 HEALTH AND WELFARE:			
Ambulance Board:			
Wages		770	
Mileage		205	
Total Health and Welfare	<u>645</u>	<u>975</u>	<u>(330)</u>
 CULTURE AND RECREATION:			
Park:			
Maintenance		185	
Total Culture and Recreation	<u>185</u>	<u>185</u>	<u>-</u>

LOUD TOWNSHIP
GENERAL FUND
DETAIL OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
OTHER:			
Insurance and Bonds	\$	\$ 3,760	\$
Contingency		-	
Total Other	<u>3,760</u>	<u>3,760</u>	<u>-</u>
CAPITAL OUTLAY	<u>-</u>	<u>7,244</u>	<u>(7,244)</u>
TOTAL EXPENDITURES	\$ <u>75,118</u>	\$ <u>71,516</u>	\$ <u>3,602</u>

LOUD TOWNSHIP
COMBINING BALANCE SHEET
ALL SPECIAL REVENUE FUNDS
MARCH 31, 2004

	<u>FIRE</u>	<u>AMBULANCE</u>	<u>TOTAL</u>
ASSETS			
Due from County	\$ <u>982</u>	\$ <u>982</u>	\$ <u>1,964</u>
Total assets	\$ <u><u>982</u></u>	\$ <u><u>982</u></u>	\$ <u><u>1,964</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 982	\$ 982	\$ 1,964
Fund balances			
Unreserved - undesignated	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u><u>982</u></u>	\$ <u><u>982</u></u>	\$ <u><u>1,964</u></u>

LOUD TOWNSHIP
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 ALL SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED MARCH 31, 2004

	<u>FIRE</u>	<u>AMBULANCE</u>	<u>TOTAL</u>
REVENUES			
Taxes	\$ <u>14,750</u>	\$ <u>14,750</u>	\$ <u>29,500</u>
Total revenues	<u>14,750</u>	<u>14,750</u>	<u>29,500</u>
EXPENDITURES			
Current:			
Public safety	14,750	-	14,750
Health and welfare	<u>-</u>	<u>14,750</u>	<u>14,750</u>
Total expenditures	<u>14,750</u>	<u>14,750</u>	<u>29,500</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE - April 1, 2003	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - March 31, 2004	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

LOUD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE FUND
FOR THE YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ -	\$ 14,750	\$ 14,750
EXPENDITURES			
Current:			
Public safety	<u>-</u>	<u>14,750</u>	<u>(14,750)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE - April 1, 2003	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - March 31, 2004	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

LOUD TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMBULANCE FUND
FOR THE YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ -	\$ 14,750	\$ 14,750
EXPENDITURES			
Current:			
Health and welfare	<u>-</u>	<u>14,750</u>	<u>(14,750)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE - April 1, 2003	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - March 31, 2004	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

LOUD TOWNSHIP
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUND
FOR THE YEAR ENDED MARCH 31, 2004

CURRENT TAX COLLECTION FUND				
	BALANCE 04/01/03	ADDITIONS	DEDUCTIONS	BALANCE 03/31/04
ASSETS				
Cash	\$ <u>-</u>	\$ <u>417,140</u>	\$ <u>416,806</u>	\$ <u>334</u>
LIABILITIES				
Due to other funds	-	44,447	44,398	49
Due to County	-	84,039	84,039	-
Due to Schools	-	288,654	288,369	285
Overpayments	-	-	-	-
Total liabilities	\$ <u>-</u>	\$ <u>417,140</u>	\$ <u>416,806</u>	\$ <u>334</u>